

## **Keppel Ltd. 1Q 2025 Business Update**

### ***Media & Analysts Conference Call Transcript***

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### **Opening remarks by Loh Chin Hua, CEO of Keppel Ltd.**

Good morning, analysts and friends from the media. We have issued our media release and slides for our 1Q 2025 voluntary business update, which we will take as read.

Let me highlight a few key points before we take questions.

Keppel has had a strong start to 2025, with earnings improving meaningfully driven by stronger recurring income, and disciplined execution across our platforms and divisions. Our flagship funds are gaining traction, with encouraging fundraising progress. Earlier this week, we announced the first closings for Keppel Education Asset Fund II and Keppel Data Centre Fund III, and a substantial capital commitment for our Sustainable Urban Renewal strategy, collectively raising \$4.9 billion of Funds under Management<sup>1</sup> (FUM). This brings us closer to our FUM targets of \$100 billion by end-2026 and \$200 billion by end-2030.

Despite the challenging environment, we are making steady headway in asset monetisation. Our comprehensive transformation in the past years has strengthened Keppel's foundations, equipping the Company with resilience to navigate the challenges ahead.

In the first quarter of 2025, our net profit was over 25% higher year-on-year (yoy), bolstered by strong and steady infrastructure earnings and improved contributions from real estate, excluding the effects of the legacy offshore and marine (O&M) assets<sup>2</sup>.

Asset management performed strongly and included a full quarter of contributions from Aermont Capital. Our recurring income made up over 80% of net profit excluding the legacy O&M assets.

Including the legacy O&M assets, our net profit more than doubled yoy, on the back of lower losses from these legacy assets.

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<sup>1</sup> Gross asset value of investments and uninvested capital commitments on a leveraged basis is used to project fully invested FUM.

<sup>2</sup> Legacy offshore and marine (O&M) assets comprise Seatrium shares, the legacy rigs, Floatel, KrisEnergy and Dyna-Mac (which was divested in 2024).

Despite challenging market conditions, we continued to make good progress in our asset monetisation programme. Since the start of the year, we have executed about \$347 million in divestments, comprising mainly real estate assets in China and Vietnam. This includes the divestment of a 30% stake in the developer of our Northern District Project in Tianjin Eco-City for about \$93 million announced yesterday.

We are concurrently pursuing several other monetisation opportunities and are in advanced stages of negotiating about \$550 million in real estate monetisations, which we hope to finalise in the next few months.

Despite the challenging environment, Keppel is in a strong position with the financial flexibility to fund growth, reduce debt and reward our shareholders. We will continue to focus on driving asset monetisation towards our target of \$10-\$12 billion by end-2026, not including the \$4.7 billion divestment<sup>3</sup> of Keppel O&M.

It is worth mentioning that as Keppel has no further liability relating to the combination of Keppel O&M and the former Sembcorp Marine, and our segregated account arrangement with Seatrium was terminated in April, releasing about \$290 million in cash and 63,360,000 Seatrium shares as at 31 March 2025. Keppel is now free to deploy the cash and decide on the best option to extract value from the remaining Seatrium shares.

Our asset management fees<sup>4</sup> have risen 9% yoy to \$96 million in 1Q 2025. In the year to date, we raised about \$1.6 billion of equity, 3.5x higher compared to \$436 million in the same period of 2024<sup>5</sup>.

Including another \$400 million raised for our third data centre fund in late 2024, the total capital commitments for our new private funds would be \$2 billion. Meanwhile, our acquisitions and divestments more than doubled yoy to about \$2.7 billion<sup>6</sup>.

Notwithstanding the challenging environment, we will continue to build on the momentum to raise funds and position ourselves to seize opportunities when markets go through dislocations. With our interim FUM target of \$100 billion within reach, we will continue to drive organic initiatives towards our longer-term FUM target of \$200 billion by end-2030.

I will now highlight some key updates from our Operating Platform. Our Infrastructure Division continued to perform strongly yoy, supported by its resilient integrated power operations. The 600 MW hydrogen-ready Keppel Sakra Cogen Plant has achieved commissioning readiness and is on track to start operations in 1H 2026. During the quarter, the Infrastructure Division seeded a 39% stake in the Keppel Merlimau Cogen Plant to the Keppel Core Infrastructure

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<sup>3</sup> This includes the Sembcorp Marine (now Seatrium) shares, which were distributed or held in the segregated account, at \$2.30 per share (or \$0.115 per share prior to the share consolidation undertaken by Seatrium in 2023; \$0.115 was the last traded price of the shares on the first market day immediately following the date of the combination) and the \$0.5 billion cash component.

<sup>4</sup> Includes 100% fees from subsidiary managers, joint ventures and associated entities, annualised fees for platform/asset acquired during the year, as well as share of fees based on shareholding stake in associate with which Keppel has strategic alliance. Also includes asset management, transaction and advisory fees on sponsor stakes and co-investments.

<sup>5</sup> Equity raised excludes that of Aermont Capital.

<sup>6</sup> Acquisitions and divestments exclude those of Aermont Capital.

Fund, demonstrating Keppel's ability to create value for our private funds and trust, whilst continuing to earn recurring income as an asset manager and operator.

By the end of March, our long-term contract revenue from the provision of technology solutions and operations and maintenance services grew to \$6.3 billion. These are expected to contribute \$100 million in annual EBITDA from 2025, augmenting the robust cash flows from the integrated power business.

During the quarter, Keppel South Central, a showcase of Keppel's Sustainable Urban Renewal (SUR) solutions, was completed and secured its first anchor tenant.

In Connectivity, the Bifrost Cable System is on track, and expected to be ready for service in 2H 2025, with cable laying operations 92% completed at the end of March. We are actively engaging customers for our remaining three fibre pairs. Keppel Infrastructure Fund and Keppel Infrastructure Trust's recent joint investment in Global Marine Group, a leading subsea cable solutions provider, will further enhance Keppel's growth in the subsea cable business and strengthen our position as a connectivity ecosystem partner.

Let me now also briefly address the possible impact of the recent US tariffs, which have significantly affected global markets.

The direct impact of the tariffs on Keppel is expected to be limited, as Keppel is not engaged in the manufacturing or export sectors. Keppel provides many essential services, which, as seen during the COVID-19 pandemic, generate stable recurring income. As a global asset manager and operator, we are meeting the demand for alternative real assets, which continue to be supported by resilient macro trends.

Nevertheless, a trade war would be highly detrimental to the international economy and business environment. There could be various indirect impacts on Keppel in terms of rising supply chain costs, reduced market confidence, exchange rate risks and the pace of asset monetisation, among others.

The situation is highly volatile and continues to evolve rapidly, and we are keeping a close watch on developments. Nevertheless, we believe that the New Keppel, with stronger recurring income, would be better placed to navigate the volatile environment.

Let me now open the floor to questions.

### **Question & Answer session**

#### **Questions from Foo Zhiwei, Macquarie Securities**

**Thank you for your presentation, I have three questions. The first question is on Keppel South Central. Can I ask what the pre-commitments are like and what average rents you are signing? Could you shed some colour on that?**

**LCH:** Thank you Zhiwei. I will ask Louis to address the first question on Keppel South Central.

**LL:** Zhiwei, thank you for the question. As we have indicated, we have about 50% that is committed or undergoing discussion. Since the TOP of the project, we have actually had increasing interest as people have come to see the property. We are targeting, as shared with the market, low double-digit rental rates, and we are in negotiations with various potential tenants to lock those in.

**LCH:** Thank you, Louis.

**Second question is on your legacy assets. Could you highlight or briefly discuss how the losses narrowed over the year, and how should we think about these losses, if any, for the rest of this year?**

**LCH:** On the second question on the losses from legacy assets, how they have narrowed, I will ask Kevin to address that.

**KC:** Thanks Zhiwei. Just on the legacy O&M results, the narrowing of the results was predominantly driven by positive fair value changes in the holdings of our Seatrium shares. That was a large component of the change year on year.

**Thank you, could I have one follow-up question? How do we think about the O&M losses going forward for the rest of 2025?**

**LCH:** I guess we have discussed this in the past, Zhiwei. I think the way that the market should look at Keppel today is that we have a new Keppel, and the new Keppel is performing quite well as you have seen, and we continue to gain traction in all the areas that we have told the market, in terms of fundraising, in terms of recurring income, etc. And then, of course, we have legacy assets, which we will be looking to find a way to monetise as expeditiously as the market will allow us. So I would probably focus more on the new Keppel, when looking at earnings, and that is how we have shown our results as we transform the Group, looking more at the new Keppel, how is the new Keppel doing. For the legacy assets, we will be focusing on monetisation so that we can free up our balance sheet.

**Third question, appreciate that your net profit was up 25% year on year, but could we just break down the drivers of this 25%? How much of it was actually coming from the full quarter contribution of Aermont Capital and how much was from the rest of the divisions? Thank you.**

**LCH:** Now on your third question on net profit being driven higher. I think we have already provided some guidance, that it is driven on the back of stronger asset management results, as well as real estate performance being better year on year for the first quarter. As far as contributions from Aermont, this would be the first quarter where Aermont's earnings would be factored into our asset management results, because if you recall, the Aermont deal was closed in April of 2024. So 2025 would be the first year where Aermont's results showed up in our first quarter numbers.

Questions from Rayson Khoo, HSBC

**Hi Chin Hua and good morning to all. I have three questions. So firstly, on fund management, congrats on the \$2 billion capital commitments for the private funds. Can we just get a sense of how the LP sentiment or demand has changed over the past few weeks, and how they are thinking about their sector allocation? Have they started becoming more cautious?**

**LCH:** For the first question, I will ask Christina to address it.

**CT:** Thanks for the question. On the volatility, the Trump tariffs and all the announcements we are seeing, I think these are early days. Everyone is still trying to figure out what is really happening or what will happen. From our discussions with investors, some are quite conservative, and so they are more cautious. But in general, I think for the larger pension plans and sovereign wealth funds, because they are very well established, and they look at investments on a longer-term horizon, they are actually quite well-positioned to take advantage of new opportunities that may arise from the volatility in the market. But for some of the smaller pension funds that we talk to, there is a bit of a denominator impact as well, because their allocation to real assets suddenly becomes a bit overweighted because the equities market dropped.

So it depends on each investor's positioning. Because we work more closely with the bigger players, the sovereign wealth funds, as well as the larger pensions plans, we are still seeing good traction and demand from them in terms of our fundraising. And because Keppel is quite uniquely positioned in terms of our capabilities, they see us as a differentiated player compared to others.

**LCH:** Thank you, Chris.

**My second question relates to the monetisation of the 30% stake in Tianjin Fulong yesterday. For the remaining stake, do you intend to divest it as well? Because I note that the \$550 million of potential divestments in negotiations are largely coming from Real Estate.**

**LCH:** Louis, could you address the second question on Fulong please?

**LL:** Yes, absolutely. Thanks again for the question, Rayson. As you pointed out, we have divested 30% to Tianjin Shunhua, and the plan is to continue to develop the project with them. They are a partner that we are comfortable with, and that has shown good traction, developing and selling projects in Tianjin. So in terms of the monetisation, which you pointed out, we definitely are looking at continuing to monetise our assets where possible, particularly in markets like India and Singapore. The number that we have shared does not include future potential divestments in Fulong. The current plan is to continue to do the development and sell down the units, but we are not precluding potential sales in the future. That is not included in the number we shared today.

**LCH:** Thank you, Louis.

**On the release of the segregated account related to the contingent liabilities, will there be an opportunity for special dividends or maybe a distribution in-specie of Seatrium shares?**

**LCH:** On your third question, Rayson, on the release of the segregated account, clearly this will allow us to deal with the cash and the shares freely. I think we do understand that our shareholders are very driven by dividends as well as distributions in-specie, and you can see that the Group has been very actively making sure that our shareholders have been adequately rewarded as we successfully implement our transformation. I think there are no plans currently. We will, of course, take all this into account, particularly as we drive up our asset monetisation, which is one of the key imperatives for us. You can see that we are very laser focused on that.

The key for us is to keep focusing on executing on the new Keppel, and look for expeditious ways to monetise our assets. And then at the end, we will see how best we can position ourselves for growth, to seize opportunities, as well as to reward our shareholders.

Questions from Tom Taylor, PEI

**Hi there, thanks for the presentation. I have a few questions. So the first one is around asset management fees. The asset management fees, for infrastructure, I notice, fell quite sharply year on year, from \$37 million to \$18 million. Wondering what the reasons are behind this.**

**LCH:** Thank you, Tom. I will ask my colleague Christina to address your question.

**CT:** Sure. Hi Tom, with regards to the asset management fees for infrastructure, the difference is because for Q1 of 2024, we had some acquisition fees relating to the solar platform in Germany. That is why there is a difference. The \$18 million in Q1 2025 reflects more normalised fees for asset management.

**The second question is around Keppel Data Centre Fund III. In the press release, it was mentioned that there was another \$400 million raised for that fund in late 2024. So just some clarification there, is this on top of the announced first close of US\$580 million, making that a \$980 million total there? Or is that \$400 million contained within that US\$580 million figure?**

**CT:** With regards to Data Centre Fund III, the US\$580 million equity raised includes the earlier disclosure. The \$400 million is in Singapore dollars, whereas our US\$580 million equity is in US dollars. So there is some translation there.

**The third question I have is on the Keppel Core Infrastructure Fund, which picked up its first asset, a 39% stake in the Merlimau Cogen Plant. Wondering if you are able to provide any kind of figure for the value for the transaction, even a ballpark kind of figure there, and also wondering what is next in the sights for the fund. Thank you.**

**CT:** With regards to Keppel Merlimau Cogen (KMC), we do not disclose the transaction value.

For the Core Infrastructure Fund, I think following Keppel's capabilities, we like energy transition, decarbonisation, renewables etc. Anything that can generate long-term yields. We also like digital infrastructure, so for the Core fund, we are also looking into more digital infrastructure. It could also be a gigafactory acquisition.

Questions from Dexter Low, Bloomberg

**My first question is in relation to divestment. I think Louis said just now that most of your upcoming divestments would come from India and Singapore, is that right? If that is the case, can I ask: the markets here have been a bit slower, is your sense that you would have to sell at lower prices than you might like, and if so, how much discount are you expecting? And these divestments, I assume most, if not all, will come from India and Singapore?**

**LCH:** Go ahead, Louis.

**LL:** The asset monetisation goal for us continues to be important, and we will be looking at opportunities across the markets where we play. And obviously, as was indicated just now, the current tariffs and geopolitical situation could make things a little bit more difficult, but we continue to look for opportunities. As always, we will divest when there is a good divestment opportunity for Keppel. We will look at every opportunity in and of itself to see whether it makes sense or not. I think what you are trying to imply is if we might try to discount deeply in order to do the monetisation. I do not think that would be in the best interest of shareholders. So that is not something that we would undertake. I hope that answers your question.

**LCH:** The point that I want to make here is that our monetisation is not just in Real Estate assets. I think what we have shown on the slides here is that there are a couple of deals that are in advanced negotiations and these happen to be Real Estate assets. But they are not the only assets we are looking to monetise.

**Second, on divestments in China, you mentioned Tianjin for example. Is the expectation that there will be more divestments in China, and if so, would that be discounted compared to how much you acquired them for? And are you expecting to mix in discounts in order to divest assets there? Are you guys expecting to divest more in China this year or next?**

**LCH:** The real estate market in China is going through a lot of stress right now. But our landbank assets, especially in China, are held at historical cost. So, you will see that in the Fulong transaction, although we have not disclosed the actual profit, you can see from the potential impact on the net asset value and earnings per share, that we will be able to book a profit for the sale of the Fulong project. So, it does not necessarily mean that we will have to take a loss, which I think is what you are inferring.

**One last thing from me. The data centre sector, as you mentioned, has quite a lot of capital. I am just wondering because there is a bit of wobbliness that we see in the data centre landscape right now, there is some fear of it being a bit overheated. What is your sense of the market right now? Would it affect your approach towards investments and developments?**

**CT:** Actually, Dexter, for us, because we engage a lot with the cloud players, because we do a lot of cloud business with the hyperscalers, we are not seeing a reduction in that demand.

**MSM:** Actually, we have been speaking to our customers all across, and the reaction that we get from them is that the AI demand continues to be extremely robust and strong. They do not see the demand for AI reducing at this point in time. Also, we have a myriad of customers across different countries. We are not dependent on one customer. This gives us the ability to make sure that our assets are well-utilised, considering that we have a broad range of customers that we can work with.

Questions from Mayank Maheshwari, Morgan Stanley

**Thank you, management, for the call. Just one question from my end regarding M1. We have seen a decline in M1's subscriber base, about 8% down yoy, but EBITDA has actually grown for M1. Can you give us the building blocks of what is driving this increase in EBITDA and how you think about the rest of 2025?**

**LCH:** Mann?

**MSM:** Hi, Mann here. If you look at the service revenue of M1, that has also grown, in spite of a reduction in the subscriber base. We do see a huge amount of churn across all operators. It is almost like a circular churn that is happening because of the prices, the way they are dropping.

But what we have been working on are two elements. One element is our growth in Enterprise revenue, which has been extremely robust, and a significant contribution of our revenue now comes from Enterprise. That adds to our EBITDA. The other is, of course, we are working on costs. After our transformation, we have been able to manage our costs very well in terms of switching off the legacy platforms and systems. That has given us the ability to save a significant amount of dollars, which adds to our EBITDA. Both these things put together: cost, focus and making sure that we are running the operation very efficiently, and our Enterprise growth have contributed to our EBITDA growing over the last year, in spite of the pressure that we face on subscriber growth.

**LCH:** Thank you, Mann.

**Can you just give us a bit of sense of what is the kind of growth you are seeing on Enterprise and how are you thinking about the rest of 2025 for the business.**

**MSM:** Enterprise growth in terms of contributions to our total revenue is now close to about 45%, and we expect that to continue to grow not just in Singapore but in Malaysia and Vietnam as well. We have recently completed our acquisition of an ICT player in Vietnam and the good part is that we work very closely with our data centre business to make sure that we are able to capture the growth that is happening on the cloud side of the business, in creating hybrid cloud solutions, cloud security, cloud migration. All the activities that we see in our data centre business with our partners, we are able to then work with our ICT companies in Singapore, Malaysia and Vietnam to create growth for us. So I do see our Enterprise growth to be robust



and to continue to grow this year. Apart from the fact that we have grown inorganically with our acquisition in Vietnam, we do see our organic business growing as well.

Questions from Xuan Tan, Goldman Sachs

**My first question is on the power business. Can you give us a sense in terms of the new contracts that you are signing, has the spread or duration of contracts changed significantly, given that electricity prices came down quite a fair bit from its peak?**

**LCH:** Cindy?

**CL:** Hi, Xuan Tan. The electricity prices in the wholesale market have indeed softened. However, you would have noted that in our preceding quarters, we have been securing power supply contracts on longer-term tenures. So, while the average contracted spread has softened, this is also boosted by higher power sales and traded, fuel cost optimisation, and opportunistically taking advantage of the soft wholesale market. This is a portfolio approach, resulting in pretty strong 1Q results.

**Got it, can you give us a sense, in terms of spread, how much has it softened by?**

**CL:** Directionally, more than 20%.

**Thank you, second question is on divestment. For the divestments that have been announced, can you share what is the quantum of divestment gains that you are looking to recognise this year?**

**LCH:** Xuan, we do not disclose that. Anyway, this is a business update, so this is not a results briefing.

**But things like data centres have also not been recognised, right? So just some sense of the full year? It would be great if you can share in the next update.**

**LCH:** Yes, you will get the full results in July.

**Last question is, how are you thinking about balance sheet health and also acquisitions at this point?**

**LCH:** I think on the balance sheet side, in terms of liquidity and gearing, we are very comfortable. As we said, it has been a strong quarter. Obviously, with all the things that are going on, we are extra watchful. So, I think in terms of growth, we believe that, as we pivot more to an asset-light model, our growth is being funded through the FUM that we raise, and there is less requirement on our balance sheet when we do acquisitions.

So, I think that will position us very well, particularly as we go through what could be a more tricky patch ahead.

Questions from Paul Chew, Phillip Securities

**Thanks for the presentation, just two questions for me. On the net profit, the 25% growth, is it possible to maybe share how much of it was related to valuation gains? And you mentioned that the turnaround in the legacy O&M assets, was that a contributor to the 25% growth?**

**LCH:** I will ask CFO to address these questions.

**KC:** Thanks, Paul. Just on the first question, this is a business update, so we do not disclose the breakdown of our net profit. To clarify the second question, the greater than 25% growth in net profit does not include the O&M narrowing of losses, because we report that separately.

**My second question is regarding the 39% stake in KMC that was seeded. Is there any accounting impact to your income?**

**KC:** There is no accounting impact.

**Okay, but why so? Because the stake belongs to you, but now you are seeding it into a fund, so I just wanted to understand.**

**LCH:** The impact will come over time as we bring in more investors into the Core fund. At the moment, we have investors, but the Core fund is structured as an evergreen fund, and Keppel is the one that put in the capital initially, so it still remains a subsidiary.

But over time, as we raise more capital, then it will be deconsolidated, and that is when it will have a financial impact.

Questions from Lim Siew Khee, CGS International

**I have three questions. One would be – it is good that we are looking at the monetisation gathering pace in the year to date and stronger year on year. Just wanted to get your view on whether it is actually getting better or worse in various sectors. For real estate, given that we have actually seen more movements, maybe it is better? But in terms of O&M, with oil prices at current levels, I wanted to just hear your thoughts on how that is impacting the RigCo monetisation plan, whether there will be any pushback. That is my first question.**

**LCH:** On your first question, as I mentioned, we are laser focused on getting the monetisation done to meet our target of \$10-\$12 billion by 2026.

The current situation on the offshore side is that oil prices have come off in recent months. So, sentiments there have been impacted.

Our focus has been on looking at how we can put more of the rigs to work. The jack-up rigs that we have completed remain contracted, and they are also being paid their day rates as we speak. So, our focus is to see how we can put the remaining rigs to work, so that we can then

make them cash-flow generating, which would help reduce the drag on our balance sheet. But at the same time, also prepare them for potential monetisation down the road.

So far, whilst it is a difficult market on the offshore side, we are still receiving enquiries, both for potential monetisation, but also more and more for potential day rate charters.

**For the day rate charters' region, will it be in the Gulf?**

**LCH:** Not just in the Gulf. I think that the enquiries are for Brazil, the North Sea, as well as the Gulf, and also Southeast Asia.

**My second question is that Wuxi properties were slated for divestment last year, but I saw that it has been taken out. Maybe you can give us some update on that?**

**LCH:** I will ask Louis to address that.

**LL:** We are continuing to work on selling down the units that are part of the Wuxi project. It is not in the same line that we had shared previously in terms of the monetisation. But we are still continuing to work on how we can sell down the entire project, starting first with a number of villas that we have as part of that asset.

**And finally, do we still have a stake in Seatrium? I get a bit confused on the segregated account cash release and your stake.**

**LCH:** Yes, we still have, I think, 63 million shares in Seatrium that were released, and we still hold them as at the end of March.

Questions from Tom Taylor, PEI

**Hi, just a couple more questions from me seeing as we have got some time. Interested in the Bifrost Cable System, with cable laying operations, as you said, 92% completed. Interested in what else there is to do here before the launch scheduled for 2H 2025 and interested if any of your private funds are involved in this and what their role is?**

**LCH:** Thank you, Tom. What I will do is ask Mann to address the first question and Christina the second question and Cindy the third question.

**MSM:** Hi Tom. On Bifrost, like we said, 92% of cable laying is done. In fact, as we speak, it is higher than 92% because over the Easter break, we were able to splice the Indonesian sector of the Bifrost cable, so we are only left with a few kilometres of cable laying at the Philippines branch of the cable system. That should get over very quickly. What is remaining then is to start testing the cable system and we have already started partial testing. Unless we test the whole equipment and the cable systems, we would not be able to hand it over to our customers, so we are in that process. That will take a bit of time before we declare it as ready for service (RFS), which would happen, like we said, in the second half of 2025. So, we are on track in terms of timing, in terms of laying of cables, as well as testing, so that is all that is remaining before our customers can start using the cable system. Thank you.

**CT:** So, Tom, on the involvement of the private funds, yes, we are involved; in Bifrost, and for Keppel Infrastructure Fund (KIF) in the subsequent digital infrastructure systems. We are also looking at cable laying, so we bought our first cable laying vessel platform for KIF.

**And on a separate question, with the partnership with the Japan Bank for International Cooperation (JBIC), wondering what kind of progress has been made since that partnership was announced and if you can give any kind of indication on what are going to be the first focuses of this partnership?**

**CL:** Hi Tom. With regard to the JBIC collaboration, it is a very comprehensive one because JBIC sees the competitive advantages of Keppel in sustainable infrastructure for both energy as well as connectivity. So, the intent of this collaboration is to ride on our expertise in not just sustainability but also digital infrastructure. We have identified common markets of interest, in order to not only work with JBIC leveraging on their financial strength and the advanced technologies of Japanese companies, but also to bring in like-minded partners to catalyse Asia Pacific's decarbonisation journey. As to the progress, as and when we reach a meaningful milestone, we will make the necessary announcement. Thank you.

Question from Felicia Tan, The Edge

**Sorry, I do not know if this question has been asked already, but we just wanted to know, what are the undersea cable opportunities that Keppel is looking at?**

**LCH:** Thank you, Felicia. Manjot?

**MSM:** Hi Felicia, thanks for the question. Our immediate focus, of course, is to make sure that Bifrost gets the RFS within this year and we are able to sell the balance fibre pairs for which we have really good demand after the Federal Communications Commission's clearance in the US. That is our immediate focus. Having said that, we are evaluating two other systems. I may not be able to give you too many details at this point in time because we are still in the process of evaluation, but yes, we are looking at a couple of other cable systems that we should be looking to start working on after we have completed our work on Bifrost. Thank you.

Questions from Rayson Khoo, HSBC

**Hi Chin Hua, thanks for the opportunity again. Just a few follow-up questions. Firstly, on the Infrastructure segment, can you provide a bit more colour on plans to optimise the generation capacity once you have 600 MW coming online from the Sakra Cogen Plant next year? Are you in conversations to add more power purchase agreements (PPAs) and generate incremental power, or do you intend to move some of the PPAs to the new plant?**

**LCH:** Maybe I will ask Cindy to address the first question?

**CL:** Hi Rayson. Happy to report that our Keppel Sakra Cogen Power Plant has crossed a significant milestone of "back feed". This would mean that we have begun drawing power from the grid to test and pre-commission the plant systems. The second very important update is that we have fully contracted our H-class Sakra Cogen Plant. The 600 MW has been

committed in terms of power sales. And in terms of how to optimise and maximise the returns and offers, Keppel Sakra Cogen Plant, being the most efficient power plant to come onstream after 10 years of no new plants, would mean that in terms of merit order, this will be the plant to generate power more competitively for despatch when it is operational. The third most important thing is that our gas has also been spoken for, meaning the gas required for generation has already been secured and properly hedged. Thank you.

**Secondly, just following up on fund management, I believe in the opening remarks you commented that you build on the momentum to do funds and see some of the opportunities within the current market dislocations. Can you elaborate a little bit more on the deployment of your dry powder? Are you turning a bit more aggressive and are you actually seeing more opportunities in the market right now?**

**CT:** Hi Rayson, with regard to market dislocation, I think we are slowly seeing some of the impacts but usually that will take a period of time. But we are actively talking to banks because if liquidity dries up a bit more, I think we will definitely see more opportunities in the market. But I think for us, as managers with fiduciary responsibility, even though we have raised a significant amount of FUM, our funds to deploy, we remain quite cautious and we will be very robust in terms of our underwriting, in terms of looking at the acquisition opportunities.

**Then maybe lastly, I just wanted to have a quick clarification for the monetisations that were announced in 2024. Have all profits been booked already? Because we recall that Saigon Sports City was still pending?**

**LCH:** Rayson, for Saigon Sports City, it is still subject to conditions precedent, so profits from that would not have been recognised per se. Maybe I will invite Louis, if you want to provide a bit more colour on the progress we are making on that front?

**LL:** Just for context, I think that you are aware that with the Trump administration's announcement of the 46% tariff on Vietnam, things have been thrown askew a bit. But from the Vietnamese side, they have been articulating GDP targets of 8% or even double digits, so there is a lot that needs to get done. Hopefully we would see good progress in spite of the challenges in some of the projects that we have been trying to move forward with the Vietnamese government. So, we are hoping to see some good traction there as they intend to deliver on some of the targets that they have announced.

#### Questions from Dexter Low, Bloomberg

**One last follow-up from me, and I think Louis partially addressed that just now. You mentioned a bit about the Trump administration just now and it is targeting particularly emerging countries like Vietnam. I am just wondering on a strategic level, would you be still thinking of, for example, China Plus One and whether countries like Vietnam are still a good bet, in terms of real estate for example?**

**LCH:** I think in the longer term, countries in Southeast Asia still have very strong fundamentals. I do not believe that the current tariff discussions will impact their longer-term fundamentals, so we will continue to be looking at these markets as markets that we will continue to invest in, not just in real estate but in infrastructure, in connectivity, etc.

**Do you foresee any possible risks going forward and anything that you guys would try to mitigate or look out for?**

**LCH:** Well, by investing in any market, there will always be some risks, and I think Keppel has been investing in the region now for many decades. We have been in Vietnam for over 30 years, so we are very familiar. To be fair, not just in Vietnam, but in Indonesia, we have been there for 25 years, the Philippines for 45 years, so we are quite familiar with investing in the region, and we are well equipped to mitigate the risks. As you know, we are very well entrenched locally in these markets.

**CT:** We have seen many cycles as well, the various financial crises. We have all been through those markets, so we have very good experience in handling crises.

**Closing remarks by Loh Chin Hua, CEO of Keppel Ltd.**

First and foremost, thank you all for joining the call this morning. As you can see, we are on track. We had a very strong first quarter, there are challenges ahead, but we are well placed to navigate those challenges. We look forward to addressing any further questions that you all might have. Thank you very much for your attention.

END

*Unless explicitly indicated otherwise, all monetary values denoted as '\$' within this transcript are to be interpreted as referring to Singapore dollars.*